

CHEVRON OIL COMPANY

IBLA 76-33

Decided December 23, 1975

Appeal from decision of the Eastern States Office, Bureau of Land Management, rejecting oil and gas lease offers ES 14293, ES 14295, ES 14298, ES 14299, ES 14300, ES 14301, ES 14361 and ES 14362.

Set aside and remanded.

1. Oil and Gas Leases: Acquired Lands Leases--Oil and Gas Leases:
Applications: Generally--Oil and Gas Leases: Lands Subject to

When an agency with jurisdiction over acquired lands has requested a short-term suspension of oil and gas lease offers, a decision rejecting the offers may be remanded to consider processing the offers in a manner consistent with that of a similar offer for which the agency has also accepted a suspension.

APPEARANCES: E. P. Johnson, Assistant Secretary, Chevron Oil Company, New Orleans, Louisiana, for appellant.

OPINION BY ADMINISTRATIVE JUDGE GOSS

Chevron Oil Company filed the above-listed acquired lands oil and gas lease offers in the Eastern States Office during the months of August and October 1974. The lease offers covered lands located in the B. Everett Jordan Dam and Lake Project, North Carolina, such lands being under the jurisdiction of the United States Corps of Engineers.

By decision dated May 30, 1975, the Eastern States Office rejected the offers stating that the Corps of Engineers had refused to consent to the issuance of the leases based on the fact that the lands were acquired to be used for water supply and recreation and

that oil and gas operations could cause adverse effects. The decision was based on a letter from the Corps of Engineers to the Director, BLM, dated March 17, 1975, which stated in part:

Colonel Homer Johnstone, Wilmington District Engineer, who has operational jurisdiction over B. Everett Jordan Dam and Lake Project, has advised that in view of the present constraints of the Consent Judgment on this project, the Wilmington District does not feel that oil exploration and drilling is advisable at this time. The drilling could create adverse conditions during the required water quality studies.

Appellant has indicated on appeal that subsequent to the decision, it contacted the District Engineer and expressed a willingness to accept reasonable operating stipulations compatible with the Corps' operation of the project.

In response to a letter from BLM concerning another oil and gas lease offer, ES 12540, filed by appellant on lands within the same project, the Corps informed BLM by letter dated August 5, 1975, that final approval of the master plan for the project was expected by the late fall of 1976. The Corps went on to recommend that action on lease offer ES 12540, along with seven of the lease offers herein concerned, 1/ be deferred for approximately 18 months.

On August 26, 1975, the Eastern States Office informed appellant that in reference to lease offer ES 12540 the Corps had deferred its consent to lease for 18 months. The BLM reiterated the statements in the Corps' letter to BLM dated August 5, 1975.

[1] Appellant asks that the eight lease offers be accorded the same treatment as oil and gas lease offer ES 12540 in accordance with the Corps' recommendation. Apparently, the Corps was not aware that the lease offers herein had been rejected when it recommended that such lease offers and lease offer ES 12540 be deferred for 18 months. It would appear the rejections on appeal should be reconsidered in light of the Corps of Engineers' State Office determination with regard to ES 12540. 2/

1/ Lease application ES 14299 was not mentioned in the Corps' letter.

2/ In Justheim Petroleum Company, 18 IBLA 423 (1975), the Board set forth an exception to the general rule on suspensions expressed in J. G. Hatheway, 68 IBLA 48, 51 (1961). Cf. John Oakason, 19 IBLA 191 (1975).

Accordingly, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision appealed from is set aside and the case remanded.

Joseph W. Goss
Administrative Judge

We concur:

Edward W. Stuebing
Administrative Judge

Martin Ritvo
Administrative Judge

